

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF VIRGINIA  
Norfolk Division**

STUDCO BUILDING SYSTEMS US, LLC,

Plaintiff,

v.

Case No. 2:20-cv-00417

1st ADVANTAGE FEDERAL CREDIT UNION,  
JOHN DOE,

Defendants.

**JOINT STATEMENT OF UNCONTESTED FACTS**

Pursuant to this Court's March 8, 2021 Rule 16(b) Scheduling Order, and its December 15, 2021 Order, Plaintiff Studco Building Systems US, LLC ("Studco") and Defendant 1st Advantage Federal Credit Union ("1st Advantage"), respectfully submit this joint statement of uncontested facts:

1. Lesa Taylor opened an account at 1st Advantage in 2010 (the "2010 Account") which remained open through 2018.
2. Lesa Taylor opened an account at 1st Advantage in 2015 (the "2015 Account") which remained open through 2018.
3. On August 9, 2018, Lesa Taylor opened a personal account (Account No. xxx713) at 1st Advantage (the "Account").
4. On October 1, 2018, Studco received a "spoofed" email from an unknown third-party purporting to be from Olympic Steel, and fraudulently instructing Studco to change its banking remittance information to the Account.
5. In 2018, Keith Ward was 1st Advantage's Compliance Manager.

6. In 2018, Keith Ward was the highest-ranking employee in 1st Advantage's compliance department.

7. From October 4 to November 13, 2018, Studco made four ACH deposits identifying Olympic Steel as the beneficiary but listing Lesa Taylor's 1st Advantage account number.

8. The ACH deposits originating from Studco's account with JP Morgan Chase totaled \$558,868.71, broken down as follows:

- a. On October 4, 2018 for \$156,834.55.
- b. On October 16, 2018 for \$246,260.44;
- c. On November 5, 2018 for \$40,980.09; and
- d. On November 13, 2018 for \$114,793.63.

(collectively referred to as the "ACH deposits").

9. The following, Table 1, is an accurate representation of (a) starting and ending balances for the Account, and (b) withdrawals and deposits for the Account, between August 9, 2018 and December 31, 2018:

Date	Amount	Event
<b>August 9, 2018</b>	<b>\$100.00</b>	<b>Starting Balance</b>
<b>August 30, 2018</b>	<b>\$100.00</b>	<b>Ending Balance</b>
<b>September 1, 2018</b>	<b>\$100.00</b>	<b>Starting Balance</b>
<b>September 30, 2018</b>	<b>\$11.88</b>	<b>Ending Balance</b>
<b>October 1, 2018</b>	<b>\$11.88</b>	<b>Starting Balance</b>
<u>October 4, 2018</u>	<u>\$156,834.55</u>	<u>ACH from "STUDCO BUILDING"</u>
October 5, 2018	\$58,000.00	Cashiers Check Withdrawal
October 10, 2018	\$46,000.00	Outgoing Domestic Wire
October 12, 2018	\$45,000.00	Outgoing Domestic Wire
<u>October 16, 2018</u>	<u>\$246,260.44</u>	<u>ACH from "STUDCO BUILDING"</u>
October 17, 2018	\$68,000.00	Cashiers Check Withdrawal
October 19, 2018	\$79,500.00	Cashiers Check Withdrawal
October 23, 2018	\$50,000.00	Withdrawal
October 25, 2018	\$10,464.14	International Wire Transfer Attempted
October 25, 2018	\$26,535.86	International Wire Transfer Attempted
October 30, 2018	\$10,464.14	International Wire Transfer REVERSED

October 30, 2018	\$26,535.86	International Wire Transfer REVERSED
October 31, 2018	\$25,000.00	Withdrawal
October 31, 2018	\$10,000.00	Withdrawal
<b>October 31, 2018</b>	<b>\$1,282.90</b>	<b>Ending Balance</b>
<b>November 1, 2018</b>	<b>\$1,282.90</b>	<b>Ending Balance</b>
November 5, 2018	\$40,980.09	ACH from "STUDCO BUILDING"
November 6, 2018	\$38,000.00	Cashiers Check Withdrawal
November 13, 2018	\$114,793.63	ACH from "STUDCO BUILDING"
November 14, 2018	\$60,000.00	Outgoing Domestic Wire
November 16, 2018	\$45,000.00	Outgoing Domestic Wire
<b>November 31, 2018</b>	<b>\$11.12</b>	<b>Ending Balance</b>
December 1, 2018	<b>\$11.12</b>	<b>Ending Balance</b>
December 31, 2018	<b>\$0.00</b>	<b>Ending Balance</b>

10. All cashier's check withdrawals represented in Table 1 occurred at a physical 1st Advantage bank branch.

11. All attempted or actual wire transfers represented in Table 1 occurred at a physical 1st Advantage bank branch.

12. Between October 4, 2018 and November 16, 2018, 1st Advantage used anti-money laundering software called Financial Crimes Risk Manager ("FCRM") that monitored its members' transactions.

13. FCRM was a "rules-based system" developed by FiServ, a public company that develops financial transaction security products used by thousands of financial institutions. Fiserv pre-programed rules into FCRM that triggered an "alert" when transactions occurred in a member's account that violated one of these rules.

14. 1st Advantage's compliance analysts reviewed alerts generated by FCRM on a daily basis.

15. Lesa Taylor attempted to make two international wires at a 1st Advantage branch on October 25, 2018. Related to the attempted international wire transfers:

- a. The attempted wire transfers created an alert by the Office of Foreign Asset Control ("OFAC"), which is different from a FCRM alert;

- b. The alert was based on the destination of the proposed outgoing wire transfer;
- c. 1st Advantage discussed the transfers with Ms. Taylor and, due to Ms. Taylor possessing insufficient information about the identity of the recipients, 1st Advantage declined to make the proposed international wire transfers;
- d. Other than declining to make the two proposed international wire transfers, 1st Advantage did not restrict or otherwise stop activity into or out of the Account between October 25, 2018, and November 21, 2018.

16. It is the policy of 1st Advantage to conduct its ACH activities in compliance with all applicable Rules of the National Automated Clearing House Association (“NACHA”).

17. 1st Advantage received an investigative subpoena regarding the ACH transactions at issue in this case, from the Federal Bureau of Investigation (“FBI”) in or about the beginning of February 2019.

18. The Parties stipulate to the authenticity of all exhibits identified in the Court’s Final Pre-Trial Order.

Dated: May 26, 2022

Respectfully submitted,

By: /s/

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Dated: May 26, 2022

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### **CERTIFICATE OF SERVICE**

I hereby certify that on the 26th day of May 2022 I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send a notification of such filing to all counsel of record.

/s/  
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